

~~SECRET~~

(b) (1)
(b) (3)

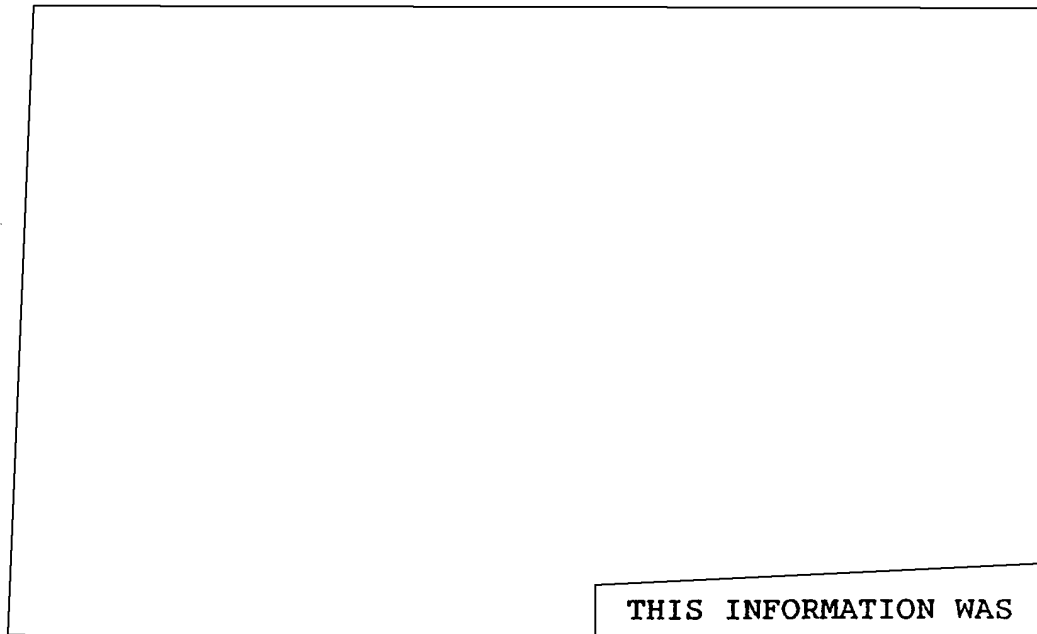
OPENING STATEMENT OF ADCI BEFORE
SENATE FOREIGN RELATIONS SUBCOMMITTEE
ON TERRORISM, NARCOTICS, AND INTERNATIONAL OPERATIONS
31 OCTOBER 1991

THE PRIMARY REASON CIA FOCUSED ON BCCI FROM 1983-1991 WAS THE MAJOR INVOLVEMENT OF THE BANK IN NARCO-DOLLAR MONEY LAUNDERING ON A WORLDWIDE BASIS. A SUBSTANTIAL COMPONENT OF THE AGENCY COUNTERNARCOTICS PROGRAM IS THE COLLECTION OF STRATEGIC INTELLIGENCE ON THE FOREIGN PERSONS, BANKING MECHANISMS AND MODUS OPERANDI USED BY MAJOR NARCOTICS TRAFFICKING ORGANIZATIONS, LIKE THE COLOMBIAN CARTELS, TO CLANDESTINELY MOVE AND INVEST THEIR MONEY.

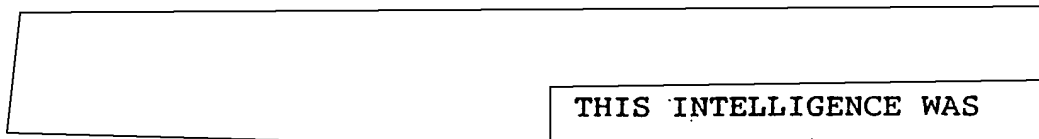
~~SECRET~~

~~SECRET~~

~~SECRET~~



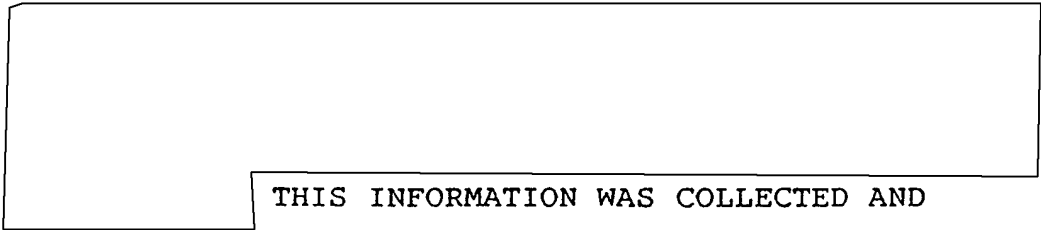
THIS INFORMATION WAS
COLLECTED AND DISSEMINATED IN 1988 TO NSA, STATE,
DIA, DEA, CUSTOMS, TREASURY, FBI, WHITE HOUSE,
USCINCSO.



THIS INTELLIGENCE WAS
COLLECTED AND DISSEMINATED IN 1990 TO NSA, STATE,
DIA, FEDERAL RESERVE, TREASURY, FBI, DEA, CUSTOMS,
AND WHITE HOUSE SITUATION ROOM.

~~SECRET~~

~~S E C R E T~~



THIS INFORMATION WAS COLLECTED AND
DISSEMINATED IN 1989 TO NSA, STATE, DIA, TREASURY,
FBI, DEA, CUSTOMS, AND THE WHITE HOUSE.



~~SECRET~~



~~SECRET~~

~~SECRET~~

~~SECRET~~

~~SECRET~~



MR. CHAIRMAN, AS I NOTED IN MY TESTIMONY LAST WEEK, THE AGENCY REPORTED TO THE TREASURY DEPARTMENT IN EARLY 1985 THAT BCCI HAD GAINED CONTROL OF FINANCIAL GENERAL BANKSHARES. OUR RECORDS INDICATE THAT THIS INFORMATION WAS SHARED WITH THE SECRETARY OF THE TREASURY AND THE NUMBER TWO PERSON IN THE OFFICE OF THE COMPTROLLER OF THE CURRENCY, WHO BY STATUTE IS RESPONSIBLE FOR THE EXECUTION OF LAWS RELATING TO NATIONAL BANKS. WE DID NOT DISSEMINATE THAT INFORMATION TO THE FEDERAL RESERVE BOARD. I THINK IT IMPORTANT TO PUT OUR DECISION TO PROVIDE THIS INFORMATION TO THE TREASURY IN SOME CONTEXT:

~~SECRET~~

~~SECRET~~

--CIA MAINTAINS A VERY SUBSTANTIAL INTELLIGENCE LIAISON RELATIONSHIP WITH THE TREASURY DEPARTMENT, WHICH IS A MEMBER OF THE NATIONAL FOREIGN INTELLIGENCE BOARD. THE NATIONAL FOREIGN INTELLIGENCE BOARD CHAIRED BY THE DIRECTOR OF CENTRAL INTELLIGENCE, CONSISTS OF CIA, NSA, DIA, THE INTELLIGENCE COMPONENTS OF THE STATE DEPARTMENT, THE TREASURY DEPARTMENT, THE ENERGY DEPARTMENT, THE FBI, THE SPECIAL AIR FORCE, AND THE INTELLIGENCE STAFFS OF THE MILITARY SERVICES. NFIB MEMBERS ALL HAVE REGULAR CONTACT ON A WIDE RANGE OF INTELLIGENCE ISSUES, INCLUDING REQUIREMENTS, TARGETTING, REPORTING, ANALYSIS, AND A WIDE RANGE OF OTHER INTELLIGENCE POLICY ISSUES.

--IN LATE 1984 AGENCY OFFICERS MET WITH OFFICIALS WITHIN THE TREASURY DEPARTMENT'S OFFICE OF THE COMPTROLLER OF THE CURRENCY IN ORDER TO GET THEIR REQUIREMENTS FOR COLLECTION ON INTERNATIONAL BANKING. TREASURY OFFICIALS EXPRESSED THEIR INTEREST IN, AMONG OTHER THINGS, BCCI'S "TAKEOVER EFFORTS AND SHENANIGANS."

~~SECRET~~

S E C R E T

--AFTER THE AGENCY REPORTED BCCI'S TAKEOVER OF FINANCIAL GENERAL BANKSHARES TO THE TREASURY DEPARTMENT IN EARLY 1985, THE TREASURY EXPRESSED ITS INTEREST IN THAT INFORMATION AND LEVIED FURTHER REQUIREMENTS RELATING TO BCCI'S ACQUISITION. TREASURY'S INTEREST IN OUR INTELLIGENCE FURTHERED THE AGENCY'S BELIEF THAT WE WERE DISSEMINATING THIS INFORMATION TO THE PROPER CUSTOMER.

--THE AGENCY'S INTELLIGENCE LIAISON RELATIONSHIP WITH THE FEDERAL RESERVE BOARD, NOT AN NFIB MEMBER, ON THE OTHER HAND, HAS BEEN QUITE DIFFERENT FROM OUR RELATIONSHIP WITH THE TREASURY DEPARTMENT. ON THE OPERATIONS SIDE, THE FED IN THE EARLY AND MID-1980s WAS RELUCTANT TO ENTER INTO AN ACTIVE DIALOGUE WITH THE AGENCY OVER THEIR SPECIFIC COLLECTION REQUIREMENTS OR PROVIDE THE AGENCY WITH TARGETTING GUIDANCE. WITH RESPECT TO FINISHED INTELLIGENCE IN THE EARLY AND MID 1980s, THE FED WAS GENERALLY A PASSIVE CONSUMER, ONLY VERY RARELY REQUESTING INTELLIGENCE ON SUBJECTS OF PARTICULAR INTEREST TO THEM.

S E C R E T

~~SECRET~~

I WOULD LIKE TO POINT OUT, MR. CHAIRMAN, AS I MENTIONED IN LAST WEEK'S TESTIMONY, THAT THE AGENCY HAS BEGUN TO LOOK AT ITS PROCEDURES FOR DISSEMINATING FOREIGN INTELLIGENCE ON INTERNATIONAL FINANCIAL AND BANKING ISSUES. AS PART OF THAT EFFORT, OFFICIALS FROM THE AGENCY HAVE BEEN ENGAGED IN DISCUSSIONS WITH THE FEDERAL RESERVE BOARD TO DETERMINE HOW THE AGENCY CAN BEST SERVE THE FED'S FOREIGN INTELLIGENCE NEEDS.

CORRECTIONS FOR THE RECORD OF ADCI BCCI TESTIMONY

AFTER FURTHER FOLLOWUP AGENCY STAFF RESEARCH, WE WOULD LIKE TO MAKE THE FOLLOWING CORRECTIONS FOR THE RECORD TO THE PREVIOUS BCCI PUBLIC TESTIMONY:

1. FORMER PRESIDENT CARTER'S SECRET SERVICE ADVANCE TEAM WAS BRIEFED ON BCCI'S ILLEGAL ACTIVITIES BY THE AGENCY DURING THEIR VISIT TO NIGERIA IN MARCH 1988.

2.

~~SECRET~~

~~SECRET~~

3.

4.

11

~~SECRET~~